

# MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

## DIVISION OF CREDIT UNIONS

### NEWSLETTER

Volume 2, Number 6 September 18, 2000

#### MISSOURI CREDIT UNIONS

The June 30, 2000 financial data extracted from the call reports recently became available. Missouri credit unions compare favorably to other credit unions in meeting their members' needs. However, some statistics are of particular interest. Missouri credit unions grew less, spend more on operations (but also collected more income), had less profitability, higher delinquency, and lower net worth than the national average. The return to shareholders was comparable. Credit unions should take the opportunity that the six month call reports provide and compare their own organization to other credit unions. Statistics are for the six-month period ending June 30, 2000.

	All Credit Unions	Missouri Credit Unions	Difference
Capital/Assets	11.6%	11.4%	1.7%
Cost of Funds/ Average Assets	3.5%	3.5%	0%
Return on Average Assets	1.0%	0.9%	10%
Market Growth	10.4%	7.9%	24%
Capital Growth	11.3%	8.1%	28%
Loan Growth	15.7%	13.8%	12%
Operating Expense/ Average Assets	3.4%	3.8%	12%
Delinquent Loans/Total Loans	0.7%	0.8%	14%
Asset Growth	10.4%	8.8%	15%

The complete data is on the Division of Credit

Union's home page

<http://www.ecodev.state.mo.us/cu/>

#### EXIT CONFERENCES WITH OFFICIALS

Communication is key to a successful examination. Open dialogue and exchange of information between staff, officials, and examiners helps both parties understand the other's perspective.

At the conclusion of the examination, an exit conference is held with the president/manager to ensure that findings are factual and that corrective action is reasonable and achievable. As a general rule, a meeting is then held with officials to report on the conclusions of the examination and to share the CAMEL ratings.

Recently the Division of Credit Unions decided to provide more flexibility in requirements for staff to meet with officials. Beginning in 2001, if a credit union is assigned a CAMEL code of 1 or 2, a meeting with the entire board of directors may not be requested. However, a meeting with the board of directors of CAMEL codes 3, 4, or 5 will always be held to discuss corrective action needed. Regardless of the CAMEL code, open communication with the board is still desired. Consequently, examiners will be eager to discuss ideas, recommendations, or concerns with officials during the on-site work. Additionally, at the conclusion of an examination, Division staff will be happy to meet with the officials of any credit union, regardless of the CAMEL code, if the board desires.

Officials are encouraged to share concerns, questions, and comments with Division staff throughout the year. Meeting with officials at the end of the examination is only one opportunity to communicate with each other.

## **CREDIT UNION COMMISSION MEETS**

The Credit Union Commission met on September 15, 2000 by telephone conference call. Commission members in attendance were Pat Yokley, Bill Humpfer, Sharon Ichord, Cathy Stroud, Lori Levine, John Hanneke, and Pat Macdonald. Others attending were Christie Kincannon, Attorney General's Office, Kari Greathouse, Peggy Nalls, and Eric Setzer, Missouri Credit Union System, Barbara Sheble, Common Cents Credit Union, John Kenawell and Connie Botawski, Catholic Knights of America, Maribeth Neidert and John P. Smith, Division of Credit Unions.

The Commission approved the minutes of the August 3, 2000 meeting.

The Commission reviewed the field of membership expansion application submitted by Common Cents Credit Union. More than 3,000 potential members exist within the group. The Commission exempted the group from limitations on groups.

The Commission's next regular meeting will be on November 2, 2000 in Jefferson City.

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### **Field of Membership Application Update**

**West Community Credit Union** submitted an application to include persons working or residing in Overland (63114), Olivette (63132), Crestwood (63126), Sunset Hills (63127), Des Peres (63131), Creve Coeur (63141), Ballwin (63011), Maryland Heights (63146 and 63043), Chesterfield (63017 and 63005) and Manchester (63021). The decision to approve the application was published in the August 1, 2000 Missouri Register. The fifteen day period for appeal of the Director's decision to the Commission has passed, so the decision is final.

**Southpointe Credit Union** submitted an application to include family members of current members, family members of eligible members, those who live or work in Jefferson and Franklin Counties and the Zip Code 63025. **Midwest United Credit Union** submitted an application to include individuals who work or reside in Jackson County. The decision to approve both applications was published in the September 1, 2000 Missouri

Register. The fifteen day period for appeal of the Director's decision to the Commission has passed, so the decision is final.

**First Community Credit Union** submitted an application to include all eligible individuals, and the immediate family of eligible individuals, who reside or work in the Counties of St. Louis, St. Charles, Jefferson and the Zip Codes of 63090, 63055, 63039, and 63089. **Missouri National Guard Credit Union** submitted an application to include persons residing or working in Cole or contiguous counties, excluding Boone. **St. Louis Postal Credit Union** submitted an application to include members of the immediate family and Zip Codes 63123, 63125, 63010, 63012, 63016, 63023, 63026, 63049, 63051, and 63052. **Spirit of St. Louis Credit Union** submitted an application to include those that reside or work in St. Louis City, St. Louis County and St. Charles County. **Alliance Credit Union** submitted an application to include those who work or reside in St. Charles County or St. Louis County. The decision to approve the five applications will be published in the October 2, 2000 Missouri Register. A fifteen day period for appeal of the Director's decision to the Commission must occur before the decisions are final.

**Springfield Telephone Employees Credit Union** submitted an application to include those persons who reside or work in the 417 telephone Area Code and the 573 (bordered on the north by I-70) telephone Area Code. **South Community Credit Union** submitted an application for those who work or reside in Zip Codes 63109, 63111, 63116, 63123, 63125, 63128, 63129, Crawford County, Franklin County, Gasconade County and Washington County. **Central Communications Credit Union** submitted an application for those persons who reside or working in the 816 telephone Area Code. These three applications were published in the September 15, 2000 Missouri Register. A ten business day period for comments must elapse before the Director can act on the three applications.

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John P. Smith, Director